

2005 OCT 27 PM 12: 04

Approved as to form and legality:


Deputy City Attorney

OAKLAND CITY COUNCIL

Resolution No. 79601 C.M.S.

A RESOLUTION AUTHORIZING MODIFICATION TO THE REPAYMENT TERMS FOR FIRST-TIME HOMEBUYER MORTGAGE ASSISTANCE PROGRAM LOANS FUNDED PRIOR TO APRIL 2001, TO REDUCE THE CITY'S EQUITY SHARE FOR EACH YEAR THE BORROWER OCCUPIES THE PROPERTY

WHEREAS, the First-Time Homebuyer Mortgage Assistance Program (MAP) assists low and moderate income first time homebuyers to purchase homes in Oakland by providing deferred loans, thereby generating more private mortgage lending activity and increased awareness of existing City and local housing programs and opportunities; and

WHEREAS, loans made between July 1993 and April 2001 had repayment provisions that divided net appreciation on the homes between the City and the borrower according to an equity sharing formula; and

WHEREAS, in current Oakland housing market conditions the existing formula provides borrowers with too little equity to purchase another home when their first home is sold; and

WHEREAS, the City wishes to retroactively modify the repayment provisions of these loans to permit borrowers to retain a greater share of the appreciation in value in their homes; and

WHEREAS, modifications to the terms of loans made with federal HOME funds must be enacted through an amendment to the City's adopted Consolidated Plan; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City Administrator or her designee to retroactively modify the terms of MAP loans currently outstanding that were funded prior to April 2001, and that contain equity sharing repayment provisions, to provide for a transfer of one-twentieth (1/20th) of the City's equity share to the borrower's equity share for each full year that the borrower owns and occupies the home; and be it

FURTHER RESOLVED: That the City Council hereby adopts an amendment to the City's Consolidated Plan for Housing and Community Development for 2005 – 2010, including any Action Plans adopted pursuant to the Consolidated Plan, to reflect this modification to the MAP; and be it

FURTHER RESOLVED: That the City Council hereby appoints the City Administrator and her designee as agent of the City to take any action necessary to prepare and execute documents, administer the changes to the MAP loan repayment terms, submit to HUD an amendment to the Consolidated Plan, and any other necessary action consistent with this Resolution and its basic purpose.

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IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2005

PASSED BY THE FOLLOWING VOTE:

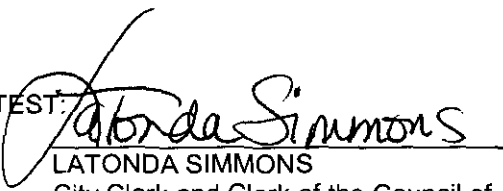
AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, ~~NABEL~~, QUAN, ~~REID~~, AND PRESIDENT DE LA FUENTE - 6

NOES - 0

ABSENT - Nabel and Reid - 2

ABSTENTION - 0

ATTEST:


LATONDA SIMMONS
City Clerk and Clerk of the Council of
the City of Oakland, California